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SUBJECT: KRG PRESIDENT BARZANI'S VISIT TO WASHINGTON

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Classified By: Ambassador Christopher R. Hill. Reasons 1.4 (b), (d).

[1](#)1. (C) Kurdistan Regional Government (KRG) President Masoud Barzani told the Ambassador January 18 that the key objective of his visit to Washington next week is to seek a strong reaffirmation of U.S. commitment to Kurdistan, including possibilities for a U.S. diplomatic and security presence beyond 2011. Close aides indicate Barzani may try to see if he can get traction of his preferred interpretation of the White House's December 7 statement, i.e., that the USG will support a referendum on whether Kirkuk should be part of the Iraqi Kurdistan Region (IKR). As political leaders, including Barzani, develop negotiating strategies for the March 7 election and subsequent government formation, it will be critical for Barzani to hear in Washington -- privately but clearly -- that the USG will not support interpreting Article 140 as calling for a decisional referendum in which Kirkuk voters would decide whether to be part of the KRG or the GOI. This is a tough, unwelcome message that he will accept from only the highest level of U.S. leadership. It will be important to balance that hard truth by affirming U.S. support for the KRG's security, autonomy, and prosperity within a unified Iraq. Barzani will hope to hear Secretary Gates' statement of support for Kurdish security reaffirmed, and may seek further commitment to a long-term U.S. security presence in Iraq. Anxious to maintain recently improved KRG-Turkey relations, he may solicit U.S. help in responding to Turkey's request that the KRG take more active steps against the Kurdish Worker's Party (PKK), and will want U.S. support for integrating Kurdish peshmerga elements into the Iraqi Security Forces (ISF).

[1](#)2. (C) On broader Iraqi political issues, we seek the Kurds' support for help in reaching a consensus solution to political challenges that threaten to block the road to credible and legitimate elections on March 7, including the current de-Ba'athification crisis. Barzani may solicit U.S. views on the post-election government formation process, including which coalition(s) the Kurds should partner with and who they should support for Prime Minister (reliable reports suggest he favors VP Adel Abd al-Mahdi or former PM Iyad Allawi, and opposes another term for Maliki). Our position has been that we support the process, not individual candidates. We should also encourage Barzani to avoid exacting maximalist demands on Article 140 in the context of government formation and stress that our ability to mediate on core Kurdish interests depends significantly on having a duly-elected Government of Iraq with which to engage. The invitation to Washington is salutary for Barzani's image in the IKR, where some fault his election law compromise as a sell-out of Kurdish "rights" on Kirkuk. Barzani's visit offers an important opportunity to set the stage for coming

diplomatic steps, which will necessitate compromises the Kurds will find hard to accept, and to reassure the Kurds of U.S. support following the recent bruising debate over the election law.

ELECTIONS AND DE-BA'ATHIFICATION CRISIS

¶3. (C) The domestic political situation has been dominated in recent weeks by the de-Ba'athification controversy. The Qrecent weeks by the de-Ba'athification controversy. The Accountability and Justice Commission (AJC), led by Ahmed Chalabi, has moved aggressively to compel the Independent High Electoral Commission (IHEC) to ban some 500 candidates from participating on the pretext that they have Ba'athist ties. We have weighed in with Iraqi political leaders, stressing that the current process lacks transparency and could alienate Sunni voters. We seek the Kurds' political support for a consensus solution that would likely involve post-election vetting of the winners, in combination with a requirement that all candidates pledge to support the constitution and condemn the Saddam regime's crimes. While Iraqi leaders seek a way to defuse the crisis, some oppose delaying the vetting process until after the election (an option we prefer) because disputes about those disqualified could further complicate the government formation process. Kurdish peshmerga forces control a significant portion of the provinces including disputed internal boundaries (DIBs) - those forces should provide security for voters, election workers and observers, and refrain from pressuring minority communities in areas they control to vote for Kurdish candidates (a recurring allegation).

GOVERNMENT FORMATION: KURDISH CONDITIONS

¶4. (C) Despite the emergence of a viable Kurdish opposition party and the erosion of the bipolar order dominated by Barzani's Kurdistan Democratic Party (KDP) and President Talabani's Patriotic Union of Kurdistan (PUK), the Kurds will play an important role in the government formation process after the March 7 elections. We should stress the importance of forming a new government quickly, urge Barzani to act accordingly, and emphasize that our ability to mediate on core Kurdish interests depends on having a duly elected Government of Iraq with which to engage. Disappointed by unfulfilled promises of support by Maliki's coalition in 2006 for implementation of Article 140, the Kurds will seek guarantees on DIBs issues in negotiations with potential government coalition partners. While it is legitimate for Barzani to exact terms, a perception that the Kurds are bargaining too hard - e.g. holding out for an early Article 140 DIBs referendum - could impede government formation and harm prospects for progress on DIBs issues.

¶5. (C) Nearly seven years after toppling the Ba'athist regime, binding the country together across the northern Kurdish-Arab divide is the greatest remaining challenge for the U.S. effort in Iraq. Preserving a unified Iraq will require the Kurds to accept internal administrative boundaries that fall short of their maximum aspirations. Article 140 of the 2005 constitution articulates a process for resolving DIBs areas and contains three elements: 1) normalization among residents; 2) a census to determine the demography in each province; and 3) a referendum to determine the status of Kirkuk and the other DIBs areas. From the Kurdish perspective, implementation of Article 140 in Kirkuk has come to represent a shorthand expression for a census, followed by an up-or-down referendum that would either: 1) annex Kirkuk to the IKR (their expected outcome, given the plurality of Kurdish residents of Kirkuk), or 2) accord it the status of a "normal" Iraqi province. The element of normalization is given short shrift (see para 8).

SIGNALING A POSITION ON AN UP-OR-DOWN REFERENDUM

¶6. (C) Many Kurdish officials interpreted the December 7 White House statement on Iraq's election law as an acceptance

of the Kurdish vision of Article 140, and as an implied endorsement for making Kirkuk part of the IKR (ref A). Over the past month, we have informed Kurdish and non-Kurdish Iraqi officials that the December 7 statement did not mark a departure from previous U.S. policy, and that U.S. support for Article 140 should not be misconstrued as support for an up-or-down referendum on Kirkuk (ref B). Our long-standing position has been that we support a confirmatory referendum (i.e., a referendum to affirm a consensus-based politically negotiated resolution), but not a decisional one (i.e., a referendum to choose among options). We have stressed that what is needed is an inclusive process - involving all of Kirkuk's ethnic and religious communities, as well as the KRG and the Government of Iraq - structured to lead to consensus on a way forward. President Barzani will be loathe to abandon the theoretical option of a referendum that would append Kirkuk to the KRG, but it will be critical for him to append Kirkuk to the KRG, but it will be critical for him to hear in Washington that we will not support a hostile referendum that would inflame tensions and likely lead to conflict.

¶7. (C) President Barzani will accept this unwelcome message only from the highest levels of U.S. leadership. He is likely to express strong reservations, even with assurances that the United States will stand by our commitment to the Kurds within the framework of a federal, unified Iraq that offers just, accountable and representative governance to all its citizens. While the time will come to discuss additional incentives for the Kurds - e.g. the location of a U.S. consulate in northern Iraq - we would counsel against broaching such topics at this juncture.

NORMALIZATION AND CONSENSUS

¶8. (C) We are formulating plans to establish a process - after the March 7 elections and before the drawdown of U.S. forces - that brings the parties together to address the multi-layered problem of administering the provinces within DIBs areas. The Embassy will work with UNAMI to formalize the "normalization" phase of Article 140, rather than rushing to determine final status. We intend to use a multi-track normalization process as a bridge from the unsustainable status quo to a consensual model of temporary special status to be endorsed, at some point, by a confirmatory referendum. A national census conducted with U.S. technical support will support that process. We share UNAMI's view that special status - at least for a temporary period while the effects of Saddam-era oppression and demographic manipulation are dealt with on the ground, particularly in Kirkuk - is the only available option likely to avert ethnic conflict in the DIBs area.

SECURITY ASSURANCES AND COMBINED SECURITY ARCHITECTURE

¶9. (C) Balancing the unwelcome news that the United States does not support an up-or-down referendum by affirming U.S. support for the KRG's security, autonomy, and prosperity within a unified Iraq will be important. The impending drawdown of U.S. forces has stoked Kurds' existential fears that Baghdad could pursue a military solution against the KRG sometime thereafter. Barzani will hope to hear a reaffirmation of Secretary Gates' statement of support for Kurdish security, and may seek to assess the likelihood of a long-term U.S. security presence in Iraq under the rubric of a new Security Agreement. The Kurdish side has supported an initiative - the Combined Security Architecture - to close security gaps in the DIBs provinces by establishing combined checkpoints and patrols involving Iraqi Army, Iraqi Police, Kurdish peshmerga and U.S. elements. We should acknowledge Barzani's support for the initiative, which will help improve security in the run-up to elections and stabilize DIBs areas.

HELP WITH TURKEY AND PESHMERGA/ASAYISH INTEGRATION

¶10. (C) Barzani is anxious to maintain recently improved KRG-Turkey relations and under pressure from Ankara to provide military and intelligence assistance in efforts against the PKK. He may seek U.S. assurances of help in balancing his relations with Turkey against his intra-Kurdish political equities. He may also seek support for integrating Kurdish peshmerga elements into the ISF. For decades, Kurdish politics were dominated by Barzani's KDP and Talabani's PUK, each with its own militias and intelligence operations. Merging the two peshmerga elements into a unified force under command of the KRG President is ongoing - it would be helpful to acknowledge progress and encourage more. Integrating peshmerga into the ISF depends on first unifying them under central KRG authority. Restructuring the two parties' intelligence services (asayish) is also in prospect, but lagging - we should urge the KRG to prioritize restructuring the asayish, whose activities in the DIBs areas are a significant irritant.

HYDROCARBONS AND REVENUE SHARING

¶11. (C) Barzani may seek U.S. endorsement of the KRG's efforts to encourage expanded unilateral oil sector development in the KRG. Ongoing efforts by the KRG to expand its oil sector without regard to national oil policy is a continuing irritant in Kurd-Arab relations and complicates efforts to pass a national hydrocarbons law. Recently, there have been indications that PM Maliki and KRG PM Barham Salih are looking for a solution to the problem of the unilateral Qare looking for a solution to the problem of the unilateral contracts. Salih told the Ambassador January 18 that the KRG had decided to publish the two contracts it has signed, a decision welcomed by PM Maliki. We should reiterate our policy of discouraging unilateral investments until a comprehensive national hydrocarbon law is enacted. Barzani is also likely to seek USG support for passage of a "revenue sharing" law that would mandate a fixed budget allocation (the KRG receives 90 percent of its budget from the GOI) and exempt the KRG from GOI budgetary discipline. Guaranteeing the KRG a source of income outside the confines of the normal budget process could embolden the KRG and exacerbate Arab-Kurd tensions. We should oppose passage of such a law except as part of a comprehensive resolution of hydrocarbons sector reform and settlement of the DIBs issues.

OTHER KEY THEMES

¶12. (C) Other issues that merit a brief reference in Barzani's White House meetings:
-- Participation in Baghdad politics: Non-Kurdish Iraqis complain that Barzani and KRG leaders seldom visit Baghdad and are fixated on internal IKR issues. The recent appointment of a veteran Kurdish politician to fill the Deputy Prime Minister slot vacated months ago by Barham Salih was a positive step, but more frequent visits to Baghdad by senior KRG leaders would help silence claims the Kurds are pursuing a separatist agenda.

-- Political Violence in Kurdistan: The struggle between the diminished PUK and opposition Goran Movement has escalated in recent months. Toxic rhetoric, a series of assassinations and a recent violent demonstration prompted Barzani to publicly call for calm earlier this month. We should applaud his statement and urge continued intervention to tamp down violence.

¶13. (C) President Barzani's visit to Washington offers a timely opportunity to shape Kurdish thinking and influence Kurdish action in advance of the March 7 elections and the complex political and diplomatic events to follow throughout ¶2010. If he returns from Washington with both renewed confidence in U.S. support and a clear understanding that our commitment does not extend to backing maximalist Kurdish territorial aspirations at the expense of national unity and reconciliation, the benefits for the U.S. effort in Iraqi will be considerable.

HILL